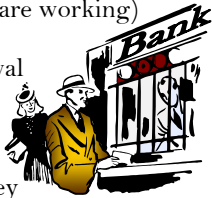


when can I spend my money?

You may begin spending your Retirement Investors' Club (RIC) money when:

- you terminate from State employment
- you reach 70½ (even if you are working)
- you apply and qualify for a financial hardship withdrawal
- your balance is less than \$5,000 and you have not contributed for 24 months
- you use your RIC 457 money to purchase IPERS credits



Your RIC account is administered for your exclusive benefit by the Iowa Department of Administrative Services. Distributions will not be made from your RIC account without your authorization.

You don't have to take distribution of your account until you actually need the money or turn age 70½, whichever is earlier. Your money continues to defer taxes until you take it out.

Tax Notice Information

If you are age 70½ or older and have terminated from State employment, you must take your required minimum distribution no later than April 1 of the year following the year you turn 70½ or retire.



If you do not begin payments on time, you are subject to an IRS 50% penalty on the required withdrawal amount.

Your RIC 457 account does not have any surrender charges or age limitations for withdrawals*. Your RIC 401(a) employer match account does not have surrender charges but an IRS 10% penalty may apply if you take a withdrawal prior to age 59½. Withdrawals are reported on an IRS 1099-R form.

*If you are invested with any provider other than AIG VALIC, Equitable of US/AXA, Hartford Life, or ING Financial Advisers, withdrawal penalties may apply.

what are my payment options?

Once you terminate from State employment, RIC offers many options for you to consider.

stay invested in RIC

- continue to defer taxes
- continue to invest in your selection of investments; providers and investments may be changed at any time (inactive providers may have restrictions)
- consolidate other pretax plans (401k, IRA, etc.) into your RIC accounts
- connect to your account online (inactive providers may not have this benefit)

take a taxable distribution



- take a partial or total lump sum payment
- take systematic payments (flexible)
- take lifetime payments (irrevocable)
- wait and take your required minimum payment at age 70½

roll over to an IRA or other plan*

- choose a partial or total rollover to an IRA at any financial institution or a 457, 401(k), 401(a), 403(b), 403(a), or SEP plan
- purchase pension credits (IPERS)

If you are invested with an active provider (AIG VALIC, Equitable of the US/AXA, Hartford Life, or ING Financial Advisers), you have the flexibility of choosing one or any combination of the options listed above at retirement. If you are with any other provider, contact them directly to find out if restrictions and/or charges apply.

If you request a payment, a check will be sent to you by mail (some providers may deposit systematic payments directly to your checking/savings account).



*457 money rolled to an IRA or other eligible plan may become subject to an IRS 10% penalty if a taxable withdrawal is made before age 59½. Ask your provider if you will incur a surrender charge. A rollover is a nontaxable distribution.

how much can I contribute?

Americans spend an average of 20 years in retirement. Before you retire, you should consider whether you have saved enough to have choices in retirement.



Your investment provider has the tools to help you determine if your savings are adequate to meet your needs.

If you have not taken advantage of contributing the maximum limits in previous years of State employment, you may have the option to "catch up" on your missed contributions.

You may have the option to contribute more than the regular limits (shown below) by taking advantage of the 3-Year Catch-Up or the age 50+ Catch-Up.

year	regular	50+	3-yr catch-up
2003	\$12,000	\$2,000	\$24,000
2004	\$13,000	\$3,000	\$26,000
2005	\$14,000	\$4,000	\$28,000
2006	\$15,000	\$5,000	\$30,000

The 3-Year Catch-Up benefit may be used for 3 consecutive years prior to any year in which you qualify for full pension (IPERS, POR, Judicial) benefits without an early retirement penalty. To take advantage of the 3-Year Catch-Up, please contact our office to request a worksheet and other required paperwork.

If you are age 50 or older, the 50+ Catch-Up allows you to increase your contributions over the regular limit by the 50+ limits shown above. Your limit automatically increases by the 50+ catch-up amount in the calendar year that you turn age 50. The 50+ limit cannot be used at the same time as the 3-Year Catch-Up. Please complete an RIC *New Account & Change Form* if you wish to change your payroll deduction amount.

how do I access my money?



If you are invested with one of RIC's active providers, you may request distributions directly from your provider with no withdrawal fees.

AIG VALIC	888-568-2542
Equitable of US/AXA	877-800-7279 opt 3 515-225-1141 Des Moines
Hartford Life	800-528-9009
ING Financial Advisers	800-555-1970 515-698-7973 Des Moines

You may also access active provider distribution information by visiting their websites. RIC provides active provider website links on RIC's [distributions](#) webpage.

If you do not invest with one of the active providers, you will need to complete an RIC *Distribution Form* (available through your personnel assistant or [online](#)). Ask your provider if you will be charged for taking your money out and whether or not they require an additional form to complete the distribution.

should I change providers?

You may change your investment selection and provider at any time*. As consumers, it is important that you compare your investment products with others from time to time.



Our active providers offer flexible payment options, professional money management, and quality services at reasonable cost and no surrender fees.

If you are invested with an inactive provider, you may be paying more than needed. If you are not receiving quarterly statements, good customer service, or competitive investment returns, it may be time to shop the competition.

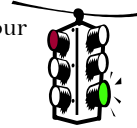
You may choose to move all or a part of your account balance (surrender charges may apply) or simply redirect your future contributions to investments offered by an active provider. If your annuity has a surrender charge, you may have the option of transfer a penalty-free amount annually until your penalty period is over.

Your active provider will have all the paperwork you need to complete the transfer. You do not have to contact your old provider.

*If you are invested with any provider other than AIG VALIC, Equitable of US/AXA, Hartford Life, or ING Financial Advisers, you may have a surrender charge for taking your money out

before you start to withdraw...

- check for surrender charges on your current account before making withdrawals or transfers (active providers excluded)
- compare the costs or restrictions of a new investment (such as IRA investments) with your current investment; you don't want to end up paying more just to have an IRA
- review your investment mix to be sure that you are invested properly for your retirement needs
- read the Special Tax Notice attached to your distribution request form. It is important to know how different distribution options may affect you; consult a tax advisor if you have questions
- review additional information about RIC including provider and fund fee comparisons, and links to the active provider websites at www.das.hre.iowa.gov/ric or contact our office.



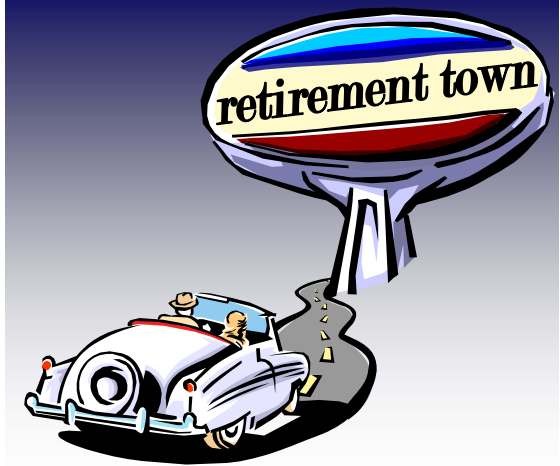
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Fax# 515-281-5102
Visit us at www.das.hre.iowa.gov/ric



Iowa Department of Administrative Services

Retirement Investors' Club

next exit...



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distributions at retirement

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